

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

ORDER

June 24, 2021

FORMAL CASE NO. 977, IN THE MATTER OF THE INVESTIGATION INTO THE QUALITY OF SERVICE OF WASHINGTON GAS LIGHT COMPANY, DISTRICT OF COLUMBIA DIVISION, IN THE DISTRICT OF COLUMBIA,

FORMAL CASE NO. 1154, IN THE MATTER OF WASHINGTON GAS LIGHT COMPANY'S APPLICATION FOR APPROVAL OF PROJECTPIPES 2 PLAN, AND

OPC2021-01-G, THE OFFICE OF THE PEOPLE'S COUNSEL FOR THE DISTRICT OF COLUMBIA'S PETITION FOR AN INVESTIGATION INTO WASHINGTON GAS LIGHT COMPANY'S SYSTEM LEAK REDUCTION PRACTICES AND TRANSPARENCY, Order No. 20762

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") holds in abeyance the Office of the People's Counsel for the District of Columbia's ("OPC" or "Office") Petition for the Commission to Open an Investigation into the Reasonableness, Safety, and Prudence of Washington Gas Light Company's ("WGL" or "Company") Handling of Natural Gas Leaks on its Distribution System.¹ Additionally, the Commission directs the Company to hold technical conferences in *Formal Case No. 977* and *Formal Case No. 1154* consistent with this Order. Further, Commission Staff shall update the Commission's website consistent with this Order.

II. BACKGROUND

2. On April 27, 2021, OPC filed its Petition requesting the Commission open an investigation into WGL's handling of the Company's approximately 1,200-mile distribution system serving approximately 165,000 customers to examine:

1. WGL's ability to meet leak reduction obligations;
2. The manner in which the Company can adjust its normal replacement activities to accelerate leak reductions and/or

¹ *OPC2021-01-G, The Office of the People's Counsel for the District of Columbia's Petition for Investigation into Washington Gas Light Company's System Leak Reduction Practices and Transparency* ("OPC2021-01-G"), Office of the People's Counsel for the District of Columbia's Petition for an Investigation into Washington Gas Light Company's System Leak Reduction Practices and Transparency, filed April 27, 2021 ("OPC's Petition").

otherwise supplement Accelerated Pipe Replacement Program activities; and

3. WGL's ability to produce comprehensible data and reports on leaks and remediation.²

3. On May 7, 2021, the WGL filed its response requesting the Commission deny OPC's Petition.³ Generally, the Company argues that the requested actions in the Petition are currently underway in other dockets.⁴

III. DISCUSSION

4. **OPC's Petition:** Generally, OPC asserts that from the institution of PROJECTpipes, the hazardous leaks on the Company's system have increased contrary to the program's stated purpose.⁵ Additionally, OPC asserts that the Company has failed to meet merger obligations to reduce Grade 2 leaks.⁶ Further, OPC asserts that WGL has not provided complete, or otherwise navigable data on leaks and leak remediation outcomes on the Company's distribution system through the Leak Identification, Detection and Repair, and Odor Complaints ("LIDAROC") reports.⁷

5. In support of its assertions, OPC focuses on actions taken in various proceedings before the Commission. First, OPC points out that in *Formal Case No. 1142* the Commission approved the merger of AltaGas Ltd and WGL.⁸ OPC argues that in *Formal Case No. 1142*, "various parties raised the issue of WGL's poor performance in managing leaks on its system."⁹ OPC asserts that the District of Columbia Government's Witness Kuprewicz recommended that WGL be required to provide annual reports of leaks on its distribution system in the District in

² OPC's Petition at 2.

³ *OPC2021-01-G*, Washington Gas Light Company's Response to the Office of the People's Counsel for the District of Columbia's Petition for an Investigation into Washington Gas Light Company's System Leak Reduction Practices and Transparency, filed May 7, 2021 ("WGL's Response").

⁴ WGL's Response at 1.

⁵ OPC's Petition at 1.

⁶ OPC's Petition at 1-2.

⁷ OPC's Petition at 2.

⁸ OPC's Petition at 3; *see also Formal Case No. 1142, In the Matter of the Merger of AltaGas Ltd. And WGL Holdings, Inc.* ("Formal Case No. 1142"), Order No. 19396, rel. June 29, 2018 ("Order No. 19396").

⁹ OPC's Petition at 3.

graphic form by ward, type (main/service line), grade and cause.¹⁰ OPC notes that the Commission did not adopt this recommendation.¹¹

6. Furthermore, OPC asserts that the Commission's approval of the merger resulted in several merger requirements that are tied to leak reduction in the District.¹² OPC relies on Merger Commitment Nos. 50, 55, 57 and 73 for its arguments.¹³ Merger Commitment No. 50 requires the Company to file quarterly reports that examine reliability and customer service performance including, *inter alia*, the number of confirmed gas leaks, number of leaks repaired and the month-end Grade 2 leak backlog.¹⁴ Merger Commitment No. 55 requires, *inter alia*, the Company to reduce its Grade 2 backlog in the District to a level consistent with SEMCO Energy Gas Company's 2017 Grade 2 leak backlog and then carry forward 35 or fewer active Grade 2 leaks on an annual basis.¹⁵ Merger Commitment No. 57 requires the Company to provide annual reports on WGL's distribution system leaks categorized by ward, type (main/service lines), grade, and cause.¹⁶ Additionally, once mobile mapping results become available, the Company will include leak volumes in the annual reports.¹⁷ Finally, Merger Commitment No. 73 requires that the Company meet Grade 2 leak reduction goals and imposes non-compliance payments for failing to meet the goals.¹⁸ Additionally, OPC notes that Company failed to meet its 2019 Grade 2 leak reduction goal.¹⁹

7. OPC argues that WGL, in the required compliance filings, failed to mention any actions the Company has taken to attempt to meet the Grade 2 leak reduction goals, outside of advance pipeline replacement.²⁰ Further, OPC argues that WGL had an opportunity, and failed, to recommend a program in its most recent rate case to address Grade 2 leaks.²¹ Contrarily, OPC argues that the Company made the choice to simply incur the penalty as a "cost of doing

¹⁰ OPC's Petition at 3.

¹¹ OPC's Petition at 3.

¹² OPC's Petition at 3.

¹³ OPC's Petition at 3-5.

¹⁴ *Formal Case No. 1142*, Order No. 19396, Appendix A, ¶50; OPC's Petition at 3-4.

¹⁵ *Formal Case No. 1142*, Order No. 19396, Appendix A, ¶50; OPC's Petition at 4.

¹⁶ *Formal Case No. 1142*, Order No. 19396, Appendix A, ¶57; OPC's Petition at 4.

¹⁷ *Formal Case No. 1142*, Order No. 19396, Appendix A, ¶57; OPC's Petition at 4.

¹⁸ *Formal Case No. 1142*, Order No. 19396, Appendix A, ¶74; OPC's Petition at 4-5.

¹⁹ OPC's Petition at 10 citing *Formal Case No. 1142*, Washington Gas Light Company's Commitment No. 73 Notice of Compliance, filed July 21, 2020; and *Formal Case No. 1142*, Washington Gas Light Company's Commitment No. 73 Compliance Filing, filed May 15, 2020.

²⁰ OPC's Petition at 10.

²¹ OPC's Petition at 10.

business.”²² Additionally, OPC asserts that the Company is on track to miss its next Grade 2 leak reduction goal.²³

8. Next, OPC notes that the Commission has adopted Natural Gas Quality Service Standards (“NGQSS”) rules that require the Company, and others, to file quarterly reports detailing the Company’s compliance with the quality of service and reliability rules.²⁴ Additionally, OPC points out that Commission rules require the Company to create and maintain a database for gas leaks and customer reported gas-related odor complaints, the LIDAROC database.²⁵ The Company is required to submit an electronic and hard copy of the database to the Commission and OPC quarterly.²⁶ OPC argues that the LIDAROC reports are incomplete or improperly presented.²⁷ OPC asserts that the LIDAROC report shows that over 750 entries are not logged by Ward, leak cause and/or unreported actions taken in response to leaks.²⁸ Additionally, OPC asserts that the data WGL provides to the Federal Pipeline and Hazardous Materials Safety Administration (“PHMSA”) is inconsistent with the LIDAROC reports.²⁹ OPC argues that the PHMSA reported leaks are lower than the reported LIDAROC leak data but both reports indicate similar leak trends.³⁰

9. Further, OPC, to support its position, argues that it has voiced concern about the rising leaks numerous times during the pendency of PROJECT*pipes* proceedings.³¹ OPC asserts that the Office has raised concerns that the failure by the Company to achieve closure on projects was hindering PROJECT*pipes* ability to reduce methane leaks.³² Once more, OPC raised concerns that the Company’s leak rates increased to levels above any of those experienced in the preceding six years and at a larger rate in the District than in the Company’s distribution system in Virginia

²² OPC’s Petition at 10.

²³ OPC’s Petition at 10. WGL, since OPC’s Petition, made its Compliance filing stating that the Company did not achieve the Grade 2 leak reduction target for 2020. *See Formal Case No. 1142*, Washington Gas Light Company Merger Compliance Filing, filed May 14, 2021.

²⁴ OPC’s Petition at 6 *citing* 15 DCMR §3708.1 (2012) and 15 DCMR §3708.2 (2012).

²⁵ 15 DCMR §3702.12 (2019); OPC’s Petition at 6.

²⁶ 15 DCMR §3702.14 (2019).

²⁷ OPC’s Petition at 14.

²⁸ OPC’s Petition at 14.

²⁹ OPC’s Petition at 14.

³⁰ OPC’s Petition at 14.

³¹ OPC’s Petition at 6.

³² OPC’s Petition at 7 *citing Formal Case No. 1115, In the Matter of the Application of Washington Gas Light Company for Approval of a Revised Accelerated Pipe Replacement Program*, (“*Formal Case No. 1115*”), The Office of the People’s Counsel for the District of Columbia’s Initial Comments Regarding Washington Gas Light Company’s Year 3 Completed Reconciliation Report at 5, filed March 30, 2018.

and Maryland.³³ Additionally, OPC asserts it has previously requested that the Commission order the Company to explain how it intends to address the increased leaks in future PROJECTpipes activities and to use methane leak information as a risk factor when prioritizing pipe replacements.³⁴ OPC argues the Commission did not act on either recommendation³⁵ OPC argues that WGL's hazardous leaks have increased from 2012 to 2018 with the largest increase occurring between 2017 and 2018, four years after PROJECTpipes was initially approved.³⁶ Additionally, OPC argues that it is not just Grade 2 leaks that are "unacceptably high" but also Grade 1 leaks require immediate attention and are not being addressed by activity in PROJECTpipes.³⁷

10. Further, OPC argues that the Liberty Management Audit Report of PROJECTpipes 1 Plan ("PIPES 1 Plan") determined that the ratio of accelerated replacement compared to normal replacement activity in Virginia and Maryland "well exceeds" the Company's replacement work in the District.³⁸ OPC notes that included in the PROJECTpipes 2 Plan ("PIPES 2 Plan") is Program 3, which replaces mains and independent services connected via vintage mechanical couplings ("VMCs"), and Program 10 to recover work compelled by others.³⁹ OPC asserts it recommended the rejection of Program 10 in its entirety.⁴⁰ OPC argues that the Commission continues to blur the lines between the Company's normal replacement activities and obligations and projects permitted to proceed under PROJECTpipes that receive advanced surcharge recovery.⁴¹ Additionally, OPC argues that "there has been no clear information or monitoring of WGL's normal replacement activities."⁴² OPC asserts that the Office and the public cannot "meaningfully determine" what actions the Company has taken to address leaks on a normal operating basis.⁴³

³³ OPC's Petition at 7 citing *Formal Case No. 1115*, The Office of the People's Counsel for the District of Columbia's Initial Comments Regarding Washington Gas Light Company's Year 4 Completed Reconciliation Report, filed May 30, 2019.

³⁴ OPC's Petition at 7 citing *Formal Case No. 1115*, The Office of the People's Counsel for the District of Columbia's Initial Comments Regarding Washington Gas Light Company's Year 5 Completed Reconciliation Report, filed March 30, 2020.

³⁵ OPC's Petition at 7.

³⁶ OPC's Petition at 11.

³⁷ OPC's Petition at 12.

³⁸ OPC's Petition at 8.

³⁹ OPC's Petition at 8 citing *Formal Case No. 1154*, *In the Matter of the Application of Washington Gas Light Company for Approval of PROJECTpipes 2 Plan*, ("Formal Case No. 1154"), Order No. 20671, rel. December 11, 2020.

⁴⁰ OPC's Petition at 8 citing *Formal Case No. 1154*, The Office of the People's Counsel for the District of Columbia's Brief at 21, filed October 23, 2020.

⁴¹ OPC's Petition at 13.

⁴² OPC's Petition at 13.

⁴³ OPC's Petition at 13.

11. OPC argues that District ratepayers deserve transparency regarding the leaks on the Company's distribution system, asserting that the Commission should direct the Company to develop and maintain an interactive leak mapping system for public use.⁴⁴ OPC argues that the District of Columbia Government provided testimony supporting an interactive leak map system in *Formal Case No. 1142* and that the Office has advocated for an interactive leak map system in a previous Public Hearing.⁴⁵ Additionally, OPC has recommended that the Company pair the interactive leak repair map with social media alerts about Grade-1 and Grade 2 gas leaks along with procedures consumers would take in case of natural gas odors and suspected leaks.⁴⁶

12. Ultimately, OPC requests that the Commission initiate a proceeding to review the Company's ability to manage leaks on WGL's distribution system. OPC also requests that the Commission audit the Company's reported leak data across reporting mechanisms, including the LIDAROC report. The Office also requests that the Commission review the Company's management of normal replacement projects compared to projects completed in PROJECT *pipes*. Finally, OPC requests that the Commission review the Company's ability to provide a publicly available, interactive leak, and leak remediation mapping system.

13. **WGL's Response:** Initially, the Company argues that OPC "has raised a host of issues" related to WGL's leak reduction efforts and reporting, as well as its leak management program, which are currently being addressed and reviewed by the Commission in various open dockets.⁴⁷ WGL recommends the Commission reject OPC's "attempt to compile all of these issues into a single, new docket as inappropriate and administratively inefficient."⁴⁸ Moreover, WGL argues OPC's Petition is without merit and does not warrant further investigation.⁴⁹

14. WGL asserts that the Company's leak remediation practices are consistent with or exceed industry standards.⁵⁰ Further, WGL asserts that the Company complies with all reporting requirements that the Commission has established through various dockets.⁵¹ WGL argues that the Company has demonstrated in each of the proceedings relied upon in OPC's petition that the

⁴⁴ OPC's Petition at 15.

⁴⁵ OPC's Petition at 16 citing *Formal Case No. 977, In the Matter of the Investigation into the Quality of Service of Washington Gas Light Company, District of Columbia Division, in the District of Columbia* ("Formal Case No. 977"), Tr. 16:7-19:22, February 6, 2019.

⁴⁶ OPC's Petition at 16.

⁴⁷ WGL's Response at 1.

⁴⁸ WGL's Response citing *Formal Case No. 989, In the Matter of the Office of the People's Counsel's Complaint for a Commission Ordered Investigation into the Reasonableness of Washington Gas Light Company's Existing Rates; In the Matter of the Application of Washington Gas Light Company, District of Columbia Division, for Authority to Increase Existing Rates and Charges for Gas Service; and Formal Case No. 874 In the Matter of the Gas Acquisition Strategies of Washington Gas Light Company, District of Columbia Division*, Order No. 12379 at 8, rel. April 12, 2002.

⁴⁹ WGL's Response at 2.

⁵⁰ WGL's Response at 2.

⁵¹ WGL's Response at 2.

Company meets its regulatory obligations and continues to operate a safe and reliable natural gas distribution system.⁵²

15. In response to OPC's arguments that the Company failed to meet merger commitments, the Company argues that it did comply with the merger requirements.⁵³ Further, the Company asserts that a compliance filing for Merger Commitment No. 55, requiring WGL to reduce Grade 2 leak backlogs, is not due to be filed by July 6, 2021.⁵⁴ Additionally, the Company filed a Notice of Compliance notifying the Commission that other requirements of Merger Commitment No. 55 had been met. WGL argues that Merger Commitment No. 73 requires that it meet leak reduction goals or make a payment as designated in the commitment.⁵⁵ WGL argues that it complied with the merger commitment when it informed the Commission of its failure to meet the goal and made the related payment.⁵⁶ Moreover, WGL argues that OPC had an opportunity to file comments in response to the Notice of Compliance filings and failed to do so.⁵⁷ The Company asserts that, procedurally, OPC should have timely addressed their concerns related to the Merger Commitments in *Formal Case No. 1142*.

16. The Company asserts that it has made "significant strides in reducing its Grade 2 leak backlog."⁵⁸ The Company asserts that the Grade 2 leak backlog in the District was 26 on September 30, 2020.⁵⁹ WGL argues that this is an 86% reduction compared to the backlog of 180 Grade leaks on September 30, 2017.⁶⁰ WGL argues that the "Company is actively engaged in the replacement of its aging and relatively higher risk infrastructure in accordance with its filed plan."⁶¹

17. Further, WGL asserts that OPC's request for an investigation into the Company's failure to meet leak reduction goals would be repetitive.⁶² The Company argues that it explained in the merger compliance filing that it was unable to meet the leak reduction target because its infrastructure continues to age/leak and there have been challenges outside of the Company's

⁵² WGL's Response at 2.

⁵³ WGL's Response at 3-4.

⁵⁴ WGL's Response at 3.

⁵⁵ WGL's Response at 4.

⁵⁶ WGL's Response at 4.

⁵⁷ WGL's Response at 4.

⁵⁸ WGL's Response at 11.

⁵⁹ WGL's Response at 11.

⁶⁰ WGL's Response at 11.

⁶¹ WGL's Response at 11.

⁶² WGL's Response at 5.

control.⁶³ WGL argues that the challenges have been “thoroughly documented” in *Formal Case Nos. 1115, 1154, and 1162*.⁶⁴ Further, WGL argues OPC has actively participated in each of these proceedings and the Commission is still actively reviewing the challenges in *Formal Case No. 1154*.⁶⁵

18. Furthermore, WGL argues that OPC made numerous arguments and recommendations in *Formal Case No. 1154*, which OPC renews in its Petition.⁶⁶ Specifically, WGL contends OPC continues to put forth that the Company is not properly managing leaks on its natural gas distribution system because leaks continue to increase in spite of the implementation of PROJECTpipes.⁶⁷ However, WGL argues that PROJECTpipes continues to target leak-prone pipes and reduce the magnitude of the trending increase of leaks on aging infrastructure.⁶⁸ WGL proffers the testimony from *Formal Case No. 1154* that explains, *inter alia*, as the Company replaces higher risk pipes the remaining pipes continue to age and the leaks on the associated pipes are expected to increase until replaced.⁶⁹ Further, over time replacement associated with PROJECTpipes will offset the impact of the remaining pipes on the leak rate level.⁷⁰ WGL argues that PROJECTpipes is not ineffective and the Company continues to enhance the safety and reliability of its distribution system.⁷¹

19. Additionally, WGL argues that the Company has an effective leak management program that includes leak detection and repair.⁷² The Company argues that the leak management program is conducted according to industry standards and is guided and enforced by federal agencies and Commission Staff.⁷³ Additionally, the Company has a Damage Prevention Program that reduces the likelihood of damage to the distribution system caused by third-parties.⁷⁴ Further, according to the Company, its Distribution Integrity Management Program identifies potential

⁶³ WGL’s Response at 5.

⁶⁴ WGL’s Response at 5.

⁶⁵ WGL’s Response at 5.

⁶⁶ WGL’s Response at 6.

⁶⁷ WGL’s Response at 6.

⁶⁸ WGL’s Response at 7.

⁶⁹ WGL’s Response at 6 citing *Formal Case No. 1154*, Exhibit WG(3A) (Jacas Rebuttal) at 11-12.

⁷⁰ WGL’s Response at 6 citing *Formal Case No. 1154*, Exhibit WG(3A) (Jacas Rebuttal) at 11-12.

⁷¹ WGL’s Response at 7.

⁷² WGL’s Response at 7.

⁷³ WGL’s Response at 7.

⁷⁴ WGL’s Response at 7.

leaking pipe and mitigates risks to system piping.⁷⁵ WGL argues that all of the aforementioned measures support a “well-planned and executed leak management program.”⁷⁶

20. In response to OPC’s assertions related to the Liberty Management Audit and normal replacement activity, WGL argues that the audit compared the Virginia SAVE and Maryland STRIDE programs that have 4.1 and 4 times, respectively, larger spend than the normal replacement expenditures in the District.⁷⁷ WGL asserts that the Company has spent, on average, \$12.5 million per year from 2014 through 2020 in normal replacements to retire 11.6 miles of main and 5,762 services in the District.⁷⁸ WGL argues that after the conclusion of the first six years of PROJECTpipes and normal replacement work completed in that time period, it is unreasonable to expect a material decline in overall gas leaks given the size of the aging population of infrastructure.⁷⁹

21. Additionally, the Company asserts that it files quarterly reports on normal pipe replacement projects at a detailed level similar to reports filed in PROJECTpipes.⁸⁰ WGL argues that these filings contradict OPC’s assertion that the Commission blurs the lines between normal replacement activities and work performed under PROJECTpipes.⁸¹ Further, WGL argues OPC cannot assert that the Office cannot meaningfully determine actions the Company takes to address leaks on a normal operating basis given the extensive reporting requirements.⁸² WGL argues that if OPC desired additional information it should have sought it in *Formal Case No. 1093*.⁸³ WGL recommends that Commission deny OPC’s request for an audit of normal replacement activities in this proceeding, asserting that an audit is unwarranted because OPC fails to demonstrate that the Company has not met any Commission requirements or directives.⁸⁴

22. Further, WGL argues a separate proceeding is not necessary for leak detection technology, changes to the LIDAROC database, or an interactive leak detection map. The Company argues that OPC’s recommendation to direct the *Formal Case No. 874* Gas Procurement Working Group to research and evaluate the newest gas detection technologies is contrary to the purpose of that working group.⁸⁵ Further, WGL asserts that the Commission approved a pilot

⁷⁵ WGL’s Response at 7.

⁷⁶ WGL’s Response at 7.

⁷⁷ WGL’s Response at 8.

⁷⁸ WGL’s Response at 8.

⁷⁹ WGL’s Response at 8.

⁸⁰ WGL’s Response at 8-9.

⁸¹ WGL’s Response at 8-9.

⁸² WGL’s Response at 10.

⁸³ WGL’s Response at 10.

⁸⁴ WGL’s Response at 10.

⁸⁵ WGL’s Response at 12.

program to incorporate advanced leak technology in the Company's PIPES 2 Plan.⁸⁶ The Company argues that the pilot program will provide a better understanding of the usefulness and functionality of the technology.⁸⁷ As such, WGL argues that Commission should continue reviewing the advanced leak detection technology in *Formal Case No. 1154*.

23. Additionally, WGL argues that OPC's concerns related to the LIDAROC database are also being addressed in an ongoing proceeding.⁸⁸ WGL asserts *Formal Case No. 977* has developed a record and there are ongoing informal meetings discussing the LIDAROC database.⁸⁹ Further, WGL argues that the essence of OPC's complaint "is that it either does not understand the data presented in the LIDAROC Database or it is challenging the Company's compliance with what is required to be included in the database."⁹⁰ Either way, the Company argues that these concerns should be addressed in *Formal Case No. 977*.⁹¹

24. Additionally, WGL asserts that two Community hearings were held to address the availability of public information on the location of natural gas leaks and construction crew activities.⁹² The Company asserts that it developed a pilot program launched in hopes of implementing multiple access points for residents to obtain information about the Company's activities in customers' neighborhoods.⁹³ The Company argues that the initiative was an "intensely manual process of compiling and uploading often changing information with relatively low engagement."⁹⁴ Additionally, WGL asserts it has been in contact with other utilities that find interactive gas leak maps to have low customer usage and do not provide the value as intended.⁹⁵ Further, WGL argues that a leak detection map would not assist the Company in repairing leaks on its system.⁹⁶

25. Ultimately, WGL urges the Commission to deny OPC's request. WGL argues that "[a]ll of OPC's complaints involve issues that are or have been addressed in other proceedings, and any outstanding issues should be addressed in those dockets where the records have been

⁸⁶ WGL's Response at 12.

⁸⁷ WGL's Response at 12.

⁸⁸ WGL's Response at 12.

⁸⁹ WGL's Response at 12-13.

⁹⁰ WGL's Response at 13.

⁹¹ WGL's Response at 13.

⁹² WGL's Response at 14.

⁹³ WGL's Response at 15.

⁹⁴ WGL's Response at 15.

⁹⁵ WGL's Response at 16-17.

⁹⁶ WGL's Response at 16.

developed...”⁹⁷ Further, WGL argues that that OPC has not shown a nexus between allegations made in its request and a need for an investigation into the Company’s leak management programs.

IV. DECISION

26. The Commission holds OPC’s Petition in abeyance while the Commission, the Company, OPC, and other stakeholders have an opportunity to review the issues OPC raises to determine if a separate investigation or reporting docket would be appropriate. The Commission shares in OPC’s concern about the Company’s aging, leak prone distribution system. While we recognize that the number of pipeline leaks have decreased in 2020 compared to 2019 and 2018, we agree with OPC that the number of pipeline leaks are not decreasing at the rate the Commission and other stakeholders expected.⁹⁸ The Commission agrees that the Company must better align its distribution infrastructure performance with the expectations of the Commission and ratepayers. However, the Commission is currently reviewing and evaluating the overall safety of the gas distribution infrastructure, including leak prevention and reporting, in several open proceedings. At this time, it is not clear what the scope of a new independent proceeding would be or how that proceeding would intersect with other ongoing proceedings where the Commission is reviewing these or related issues. The Commission finds that additional information is required to ensure that any new proceeding on the issue is productive and beneficial for ratepayers and the District.

27. The Company files regular reports with the Commission detailing the normal replacement work that the Company has completed. These reports are done in similar detail to the reports the Company files for its work completed under PROJECT*pipes*. The PIPES 2 Plan was recently approved as a three-year \$150 million program to allow the Company to continue addressing aging infrastructure while providing the Commission, the Company and interested stakeholders the opportunity to review the Company’s management of its distribution system. The Commission directed the Company to include in the application for the next segment of PROJECT*pipes*, *inter alia*, details on how the Company plans to address the District’s climate goals and how the Company plans to replace the remaining aging pipes.⁹⁹ Additionally, it is worth noting that the current PROJECT*pipes* program is a distribution infrastructure management program, not a leak management program. Moreover, in 2019 the Company spent \$22.2 million¹⁰⁰

⁹⁷ WGL’s Response at 17.

⁹⁸ See e.g., United States Department of Transportation: Pipeline and Hazardous Materials Safety Administration, Gas Distribution System Annual Reports for Calendar Years 2018, 2019 and 2020 available at <https://www.phmsa.dot.gov/data-and-statistics/pipeline/gas-distribution-gas-gathering-gas-transmission-hazardous-liquids>. WGL’s PHMSA Gas Distribution System Annual Report for Calendar Year 2020 reports that the total leaks in 2020 were 1515 down from the reported 1826 leaks in 2019 and 1658 leaks in 2018.

⁹⁹ *Formal Case No. 1154*, Order No. 20671, ¶36.

¹⁰⁰ *Formal Case No. 1162, In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service*, (“*Formal Case No. 1162*”), Application WG (D) at 43:8-12 (Tuoriniemi Supplemental Direct).

and repaired 1,826 leaks,¹⁰¹ and spent an additional \$1.35 million on leak survey efforts.¹⁰² However, as the Company continues to replace the aging infrastructure there is an expectation that, over time, the replacement activity will assist the Company in reducing leaks. The Commission finds a technical conference to discuss normal replacement work comparative to accelerated replacement work would be helpful in understanding the Company's current activities in the District and evaluating, *inter alia*, the future of PROJECTpipes. Accordingly, we direct the Company to hold a technical conference in *Formal Case No. 1154*, within 120 days of this Order, to differentiate the Company's normal replacement work comparative to the accelerated replacement work. Additionally, the parties should discuss what, if any, additional reporting metrics should be required to monitor and ensure the Company is meeting normal replacement work requirements. The Commission directs the Company to file a report no later than 30 days from the technical conference to update the Commission on the normal replacement activities comparative to the accelerated replacement activities as well as any additional recommended reporting requirements.

28. To date, the Company has filed the required merger compliance filings. OPC does not argue otherwise. Instead, OPC argues that the Company is not meeting the Grade 2 Leak goals and accepts the required payments as the cost of doing business. The payments that the Company makes for failure to meet Grade 2 Leak reduction goals are not funded through rates from District ratepayers. The Commission continues to monitor the Company's Grade 2 leaks merger compliance filings. Additionally, the Commission is diligently reviewing and working with the Company and interested stakeholders to address the Company's leaks on its distribution system through various proceedings. The Commission will continue to work in those proceedings until we can determine if a new proceeding is appropriate and the scope of that proceeding.

29. We generally agree with OPC's complaints related to the format of the LIDAROC reports. Accordingly, the Commission directs the Company to hold a technical conference within 90 days of this Order in *Formal Case No. 977* to discuss the differences between the various information reported in the LIDAROC reports, PHMSA annual report, and NGQSS reports. Additionally, we direct the parties to discuss what, if any, additional reports or reporting requirements should be adopted. The Commission directs the Company to file a report within 30 days of the technical conference to update the Commission on the discussion and present any recommended reporting requirements.

30. Additionally, the Commission believes that the Company should be transparent and communicate, to the extent possible and reasonable, the operating status and condition of its distribution infrastructure to District ratepayers. The Commission is open to the possibility of the Company developing an interactive leak detection map. However, any investment in such an endeavor should be prudent with the benefits to customers outweighing the associated costs. The Commission has and continues to address this recommendation in *Formal Case No. 977*.

¹⁰¹ *Formal Case No. 1162*, Application WG (N) at 4:8-23 (Price Supplemental Direct).

¹⁰² *Formal Case No. 1162*, Washington Gas Light Company's Response to Commission Data Request No. 7-3, filed January 19, 2021.

31. The Commission agrees with OPC that more transparency and access for District ratepayers would be beneficial, regarding leak information and leak trends across the District's 1,200-mile natural gas distribution pipeline system. Accordingly, the Commission Staff shall, no later than January 1, 2022, develop and deploy information on the Commission's website, which will initially provide the number of hazardous natural gas leaks and other gas leaks, for both mains and services, with leak numbers and leak rates, by year over an established period of time, as reported by WGL to PHMSA. Over time, Staff will continue to enhance natural gas leak information reported on the Commission's website, following additional Staff review efforts and discussions undertaken in future technical conferences.

32. The Commission remains very focused on gas system safety, reliability, and resiliency, as well as cognizant of the effects of gas leaks on the District's climate goals. Ultimately, the Company is charged with maintaining its distribution infrastructure and providing, *inter alia*, safe, reliable distribution service. The Commission has a duty to oversee the Company and its operations in the District, which we are actively doing through various active proceedings. Once we receive the reports from the technical conferences, we will assess whether a new proceeding is necessary to facilitate our review of WGL's handling of gas leaks on its distribution system. Accordingly, we hold OPC's Petition in abeyance.

THEREFORE, IT IS ORDERED THAT

33. The Commission hereby **HOLDS IN ABEYANCE** the Office of the People's Counsel for the District of Columbia's Petition for an Investigation into Washington Gas Light Company's System Leak Reduction Practice and Transparency;

34. The Commission hereby **DIRECTS** the Company to hold a technical conference within 120 days of this Order and file a report within 30 days of the technical conference in *Formal Case No. 1154* consistent with Paragraph 27 of this Order;

35. The Commission hereby **DIRECTS** the Company to hold a technical conference within 90 days of this Order and file a report within 30 days of the technical conference in *Formal Case No. 977* consistent with Paragraph 29 of this Order; and

36. Commission Staff **SHALL** update the Commission's website consistent with Paragraph 31 of this Order.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:



CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**